

Message Text

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ACTION ARA-10

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SUBJECT: GOP-PRIVATE SECTOR DIALOG

REF: PANAMA 2461 (NOTAL)

SUMMARY: PURPOSE OF APRIL 11-13 MEETING BETWEEN GOP AND YOUNG PRIVATE SECTOR EXECUTIVES WAS TO ENCOURAGE INTERPERSONAL CONTACT AND DIALOG AS WELL AS TO IMPROVE FORMAL CHANNELS OF COMMUNICATION. VICE PRESIDENT AND SEVERAL MINISTERS ATTENDED. NATIONAL GUARD WAS REPRESENTED LARGELY BY YOUNGER OFFICERS, NOT GENERAL STAFF MEMBERS. TORRIJOS REPORTEDLY WILL ATTEND CLOSING SESSION APRIL 13. PRIVATE SECTOR INVITEES INCLUDE SONS OF PROMINENT FAMILIES AND REPRESENTATIVES OF KEY PANAMANIAN AND FOREIGN ENTERPRISES. BOTH SUPPORTERS AND OPPONENTS OF GOP ARE ON LIST, BUT OMITTED ARE SOME WELL-KNOWN LEADERS OF RECOGNIZED PRIVATE SECTOR ORGANIZATIONS. GOP HAS GIVEN VERY LITTLE PUBLICITY TO THE MEETINGS BUT PRESENCE OF A NUMBER OF JOURNALISTS AND COLUMNISTS, INDICATE THAT PUBLIC COMMENTARY AFTERWARD IS TO BE EXPECTED. END SUMMARY.

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1. ACCORDING TO SEVERAL SOURCES CLOSE TO GOP, PURPOSE OF MEETINGS APRIL 11-13 AT RIO HATO BETWEEN YOUNG PRIVATE SECTOR EXECUTIVES AND GOP OFFICIALS IS IN PART TO ENCOURAGE INTERPERSONAL COMMUNICATION AND DIALOG, AS WELL AS TO PERMIT BROAD-RANGING DISCUSSION OF NATIONAL ISSUES, AND THUS TO BEGIN ADDRESSING VERY SUBSTANTIAL COMMUNICATIONS AND UNDERSTANDING PROBLEM WHICH HAS BEDEVILED RELATIONS BETWEEN GOP AND PRIVATE SECTOR. COPY OF INVITATION LETTER AND SCHEDULE PROVIDED BY ONE OF PARTICIPANTS INDICATES THE FOLLOWING MAJOR PRESENTATIONS WILL BE MADE: "GENERAL POLICY OF GOVERNMENT" BY VICE PRESIDENT GERARDO GONZALEZ; "ECONOMIC POLICY" BY PLANNING MINISTER NICOLAS BARLETTA AND MANAGER OF NATIONAL BANK RICARDO DE LA ESPRIELLA; "LABOR POLICY" BY LABOR MINISTER ADOLFO AHUMADA; "EDUCATION POLICY" BY EDUCATION MINISTER ARISTIDES ROYO; "HEALTH POLICY" BY HEALTH MINISTER ABRAHAM SAIED; "FOREIGN POLICY" BY FOREIGN MINISTER BOYD. PARTICIPANTS ARRIVED AT RIO HATO SUNDAY AFTERNOON AND FORMAL WORKING SESSIONS WERE HELD THROUGH TUESDAY APRIL 13. TIME WAS ALLOWED SUNDAY AND BETWEEN WORKING SESSIONS EACH DAY FOR RECREATION AND INFORMAL DISCUSSIONS.

2. GOP PARTICIPANTS WERE HEADED BY VICE PRESIDENT GONZALEZ, AND CO-ORGANIZERS OF SESSION WERE AMBASSADOR TO US GONZALEZ-REVILLA AND SECRETARY TO NATIONAL GUARD GENERAL STAFF LTC ROBERTO DIAZ HERRERA. SEVERAL SOURCES INDICATED THAT GENERAL TORRIJOS MIGHT OPEN THE MEETING BUT HE DID NOT DO SO. MORNING PRESS OF APRIL 13 INDICATED HE WAS EXPECTED TO CLOSE IT THAT EVENING. IN ADDITION TO THOSE OFFICIALS LISTED ABOVE, COMMERCE MINISTER JULIO SOSA, UNIVERSITY RECTOR ROMULO ESCOBAR, AND LEGISLATIVE COMMISSION MEMBER ERNESTO PEREZ BALLADARES ATTENDED THE SEMINAR. THE 21 NATIONAL GUARD PARTICIPANTS INCLUDED NO MEMBERS OF GENERAL STAFF AND, EXCEPT FOR DIAZ HERRERA, NO LIEUTENANT COLONELS; ALL PARTICIPANTS WERE MAJORS OR BELOW.

3. SOME 60 YOUNGER EXECUTIVES INVITED INCLUDED SONS OF PANAMA'S MOST POWERFUL OLIGARCHIC FAMILIES AND PANAMANIAN LIMITED OFFICIAL USE

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INVOLVED IN MAJOR ENTERPRISES, INCLUDING FOREIGN FIRMS. A FEW LEADERS OF ESTABLISHED BUSINESS AND PROFESSIONAL ORGANIZATIONS (E.G., JUAN AMADO, PRESIDENT OF CONEP AND FORMER CHAMBER OF COMMERCE PRESIDENT MARIO DE DIEGO) WERE INVITED AND REPORTEDLY HAVE BEEN ATTENDING THE SESSIONS, LEADERS OF RECENT BUSINESS PROTESTS HAVE BEEN OMITTED. PRESS REPORT APRIL 12 INDICATED THAT CHAMBER OF COMMERCE WAS PARTICIPATING IN MEETING, BUT THE CHAMBER RESPONDED

APRIL 13 WITH BRIEF PRESS STATEMENT THAT IT WAS NOT PARTICIPATING. LIST ALSO INCLUDED FIVE OR SIX OF AN INFORMAL GROUP OF ABOUT 20 YOUNG BUSINESSMEN WHO HAVE BEEN SUPPORTIVE OF GOP AND HAVE SERVED AS INFORMAL ADVISORY GROUP. TEN JOURNALISTS AND MEDIA COMMENTATORS WERE INVITED. ACCORDING TO PRELIMINARY REPORTS, BETWEEN ONE-THIRD AND ONE-HALF OF THOSE INVITED SENT REGRETS, BUT INVITATIONS WERE SENT OUT ONLY LATE IN THE WEEK AND MEETING COMES AT BEGINNING OF TRADITIONALLY LIGHT HOLY WEEK. GOP REPORTEDLY EXPANDED ITS INITIAL LIST FRIDAY AND SATURDAY. TWO U.S. BANKS, CHASE MANHATTAN AND FIRST NATIONAL CITY BANK OF NEW YORK, REPORTEDLY TOLD THEIR PANAMANIAN EXECUTIVES NOT TO ATTEND, AND TO GIVE EXCUSE THEY WERE TRAVELING. REPORTED REASON FOR NON-PARTICIPATION WAS THAT THEY WERE SKEPTICAL OF GOP MOTIVES FOR HOLDING THE SEMINAR AND AFRAID THAT THEY WOULD BE "USED" BY THE GOVERNMENT. FEELINGS ABOUT THE EXILED BUSINESSMEN STILL RUN HIGH.

4. AFTER INITIAL ANNOUNCEMENT IN APRIL 6 "PANAMA AMERICA" LOCAL PRESS HAS BEEN UNUSUALLY SILENT ABOUT THE SEMINAR EXCEPT FOR LOW-KEY MENTIONS IN AFTERNOON NEWSPAPERS APRIL 12 RECEIVED NO PRESS COVERAGE AFTER INITIAL ANNOUNCEMENT.

5. ON APRIL 8, LABOR MINISTER AHUMADA REMARKED TO EMBOFFS THAT GOP INTENDED THAT THOSE INVITED TO THIS MEETING INCLUDE BOTH ITS FRIENDS AND ITS OPPONENTS. OTHER SOURCES AND PRIVATE SECTOR PARTICIPANTS CLOSE TO GOP HAVE TOLD US THAT THE IMPORTANCE OF THIS MEETING TO GOP CANNOT BE OVER-EMPHASIZED. TORRIJOS HAD ABOUT GIVEN UP, THEY SAID, IN TRYING TO CONVINCE THE OLDER MEMBERS OF THE OLIGARCHY TO COOPERATE WITH AND TRUST HIS GOVERNMENT. HE IS HOPEFUL THAT THE NEW GENERATION WILL RESPOND POSITIVELY TO HIS INITIATIVES.

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6. FOREIGN MINISTER BOYD, WHO ADDRESSED THE SEMINAR APRIL 12 TOLD EMBOFF AND ARA/PAN OFFICIAL FIRFER APRIL 13 THAT DISCUSSIONS WERE GOING WELL. HE DESCRIBED THE YOUNG PANAMANIANS PRESENT AS BEING THE FUTURE LEADERS OF PANAMA. THE MAJORITY OF THEM, HE SAID, HAD BEEN EDUCATED IN THE US. SOME OF THEM WOULD SOON ASSIST IN PANAMA'S EFFORT TO CONVINCE THE US PEOPLE OF THE NEED FOR A NEW CANAL TREATY.

7. COMMENT: THE GOP APPEARS TO HAVE PLACED GREAT IMPORTANCE UPON THE SEMINAR AS PART OF ITS EFFORT TO RESTORE EFFECTIVE COMMUNICATION WITH PANAMA'S PRIVATE SECTOR. THAT TORRIJOS WAS NERVOUS ABOUT IT WAS INDICATED IN HIS NON-ATTENDANCE OF THE OPENING SESSION.

THAT HE REPORTEDLY WILL ATTEND THE FINAL SESSION TODAY-
APRIL 13-INDICATES THAT HE HAS CONCLUDED THE DISCUSSIONS
WERE NOT A DISASTER. THE PARTICIPANTS ARE EXPECTED TO
RETURN TO PANAMA CITY TONIGHT (BOYD CAME BACK
EARLY TO DEPART FOR NEW YORK TODAY).
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